



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Jay Marshall	Resident Agent

Inspection Report

Permit Number:	C0070013
Inspection Type:	COMPLETE
Inspection Date:	Thursday, January 11, 2007
Start Date/Time:	1/11/2007 10:35:00 AM
End Date/Time:	1/11/2007 1:15:00 PM
Last Inspection:	Wednesday, October 11, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Mostly sunny, warm. 40's F.

InspectionID Report Number: 1190

Accepted by: whedberg *OK*
2/5/2007

Permittee: **UTAHAMERICAN ENERGY INC**

Operator: **UTAHAMERICAN ENERGY INC**

Site: **HORSE CANYON MINE**

Address: **PO BOX 986, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

1,327.75	Total Permitted
87.00	Total Disturbed
61.65	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
- ☒ State
- ☒ County
- ☒ Fee
- ☐ Other

Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The current State permit was renewed during May of 2006. C/007/013 has one Special Condition, which is to submit the required quarterly surface and ground water monitoring information in an electronic form to the DOGM data base. These submittals are current; thus, the Permittee continues to meet the Special Condition requirement.

There are no compliance actions pending for the Horse Canyon Mine permit area.

The Permittee applied for a Phase III bond release of the reclaimed areas that are not part of the College of Eastern Utah donation on January 3, 2006, (Task ID #2728).

Inspector's Signature: _____

Pete Hess

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date: Friday, January 12, 2007

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond #2 is the sole remaining impoundment at the site. The primary spillway has been removed. The open channel emergency spillway remains. Horse Canyon Creek would be the receiving channel from any outfall. The Permittee continues to submit monthly discharge monitoring reports for outfall UPDES 002A. This will discontinue when Phase III bond release is approved by the DOGM. The pond was noted as being dry, with no compliance issues observed. Mr. Jay Marshall, P.E., conducted the fourth quarter impoundment inspection for the pond #2 area on November 24, 2006. There were no signs of instability or other hazards noted by the Permittee's qualified representative. The pond inspection noted that 0.4 feet of elevation are remaining before the sediment level will reach the 60% cleanout elevation.

4.d Hydrologic Balance: Water Monitoring

Some flow was observed above the CEU facilities where the road crosses the drainage. Mr. Marshall indicated that the flow is more than likely ground water from the ground water monitoring point which is identified as Redden Spring. The lower Horse Canyon channel was dry.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit remains in effect until April 30, 2008.

7. Coal Mine Waste, Refuse Piles, Impoundments

There has been no change to this reclaimed facility since UEI removed a culvert from the landfill area and installed a new riprap / diversion design adjacent to Horse Canyon Creek.

12. Backfilling And Grading

All areas which have been reclaimed and which remain under DOGM jurisdiction appear to be well vegetated and stable. No erosive action was observed.

15. Cessation of Operations

With the exception of the facilities located inside the CEU donation area, the site has been reclaimed.

19. AVS Check

The Permittee submitted updated ownership and control information relative to Utah American Energy to the DOGM on November 3, 2006. The review of the submitted information (Task ID #2687) is pending.

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21. Bonding and Insurance

The general liability insurance coverage remains in effect until June 1, 2007. Coverage for damage incurred from the use of explosives is provided. Coverage amounts for general aggregate and each occurrence are adequate. The cancellation clause relative to notification to the Division relative to changes or cancellation of the policy meets the requirements of the R645 Coal Mining Rules.

22. Other

The main channel of Horse Canyon Creek has received very large events (based upon observed extensive erosive action) since last observed by this individual. One area of road above the CEU site is a vertical drop to the channel bottom. Also, one area of the drainage has received a large escarpment failure. The road may be lost if action is not taken to reduce the erosion in critical areas.